

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 IO-10 SR-02 ORM-01 SIL-01 LAB-04 COME-00

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AGR-05 ACDA-05 /091 W

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TO SECSTATE WASHDC 0649

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AMEMBASSY ATHENS

AMEMBASSY LONDON

USMISSION NATO

USMISSION USUN

USDOCOSOUTH

USEUCOM

USCINCEUR

DIA WASHDC

C O N F I D E N T I A L SECTION 1 OF 2 NICOSIA 4329

E. O. 11652: GDS

TAGS: PINT, PFOR, EGEN, CY, TU

SUBJECT: DEVELOPMENTS WITHIN TURKISH CONTROLLED AREA; PROBLEMS
EMERGING

1. SUMMARY. AS TURK CYPRIOT EUPHORIA OVER THIS SUMMER'S
MILITARY OPERATIONS BEGINS EVAPORATE, MAGNITUDE OF PROBLEMS
INVOLVED IN CONSOLIDATING VICTORY BEGINNING TO EMERGE. PUBLIC
VENTING OF COMMUNAL PROBLEMS HAS LED TO RENEWED CRITICISMS
OF VICE PRESIDENT DENKTASH AND HIS ADMINISTRATION. CRITICISM
BASICALLY FOCUSED ON NUTS-AND-BOLTS ISSUES SUCH AS HOUSING,
UNEMPLOYMENT, AND SALARIES, BUT CORRUPTION AND NEPOTISM ALSO
ALLEGED. FATE OF SOUTHERN TURK CYPRIOTS REMAINS SERIOUS
LOCAL ISSUE. IN LIEU REAL PROGRESS, AUTONOMOUS TURK
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ADMINISTRATION (ATA) FORCED RELY ON ANNOUNCEMENTS OF

IMPENDING IMPROVEMENTS TO MAINTAIN PUBLIC MORALE. END SUMMARY.

2. DURING PAST FEW DAYS TURK CYPRIOT OFFICIALS, PUBLIC, AND PRESS HAVE FOCUSED ON MAGNITUDE OF REHABILITATION PROBLEM CONFRONTING ATA. THIS HAS RESULTED IN RENEWED CRITICISM OF VICE PRESIDENT'S INDECISIVENESS, PARTIALITY, AND HIS CONTINUED INABILITY TO SELECT COMPETENT ASSOCIATES. ON NUTS-AND-BOLTS ISSUES, ATA UNDERGOING ATTACK IN FOLLOWING AREAS:

(A) RESETTLEMENT - ATA BUREAUCRACY HAS MOVED SLOWLY IN PROVIDING SOUTHERN TURK CYPRIOTS WITH NEW (GREEK) HOUSING. MIGRANTS FREQUENTLY ARE LEFT IN REFUGEE CENTERS FOR EXTENDED PERIOD BEFORE BEING SETTLED IN HOMES, WHICH HAVE OFTEN BEEN TOTALLY LOOTED. FAVORITISM AND NEPOTISM HAVE AFFECTED ALLOCATION. IN ONE FLAGRANT CASE, KYRENIA DISTRICT OFFICER SETTLED DAUGHTER AND CLOSE PERSONAL FRIENDS IN CHOICE PROPERTIES, EVICTING LONG-TERM BRITISH RESIDENT. ALTHOUGH EVICTION LATER RESCINDED, IT STILL SYMPTOMATIC OF CORRUPTION ON NORTH COAST AND IS WIDELY DISCUSSED AMONG TURK CYPRIOTS.

(B) SECURITY - TURK CYPRIOT MIGRANTS ARE CONFRONTED BY SAME WIDESPREAD LOOTING FOREIGN RESIDENTS HAVE FACED SINCE JULY INVASIONS. PUBLIC MORALITY HAS BROKEN DOWN, AT LEAST FOR MOMENT, AND TURKISH MIGRANTS ARE DISCOVERING THAT THEIR NEW FOUND PROPERTY IS, LITERALLY, UP FOR GRABS.

(C) UNEMPLOYMENT - SOUTHERN TURK CYPRIOTS, MANY OF WHOM WERE RELATIVELY PROSPEROUS, ARE NOW FORCED EXIST ON 10-20 CY POUND (US \$27 - 54) PER MONTH REFUGEE STIPEND. WHILE SOME RESTAURANTS, HOTELS, AND SMALL BUSINESSES HAVE REOPENED UNDER NEW (TURKISH) MANAGEMENT, MAJORITY OF MIGRANTS, PARTICULARLY IN TOWNS, REMAIN UNEMPLOYED. AT NOV 29 MEETING OF LIMASSOL "REFUGEES" IN KYRENIA, IT WAS ALLEGED THAT ONLY 25 PERCENT HAVE FOUND ANY EMPLOYMENT OR BEEN ADEQUATELY RESETTLED. "REFUGEES" CRITICIZED ATA FOR OFFERING PREFERENTIAL TREATMENT TO TURK CYPRIOTS RETURNING FROM OVERSEAS EMPLOYMENT. UNEMPLOYMENT SITUATION SIMILAR IN FAMAGUSTA OLD TOWN, WHICH DEPENDED

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UPON FOREIGN TOURISM FOR MOST OF ITS INCOME. TOURISM NOW NON-EXISTENT AND PORT WORKERS EMPLOYED ONLY SPORADICALLY DURING TWICE WEEKLY SAILINGS OF MAINLAND FERRY.

(D) ATA SALARIES - GIVEN ABOVE PICTURE, IT WAS INEVITABLE THAT ATA CABINET'S DECISION RAISE OWN SALARIES TO CY 300 POUNDS PER MONTH WOULD DRAW FIRE. FORMER V P KUCHUK'S HALKIN SESI AND INDEPENDENT BOZKHURT EDITORIALIZED AGAINST RAISE,

CONTRASTING MINISTERS' WAGES TO REFUGEE STIPEND. FACT THAT MANY SENIOR ATA OFFICIALS ARE RECENT RETURNEES TO ISLAND INCREASES LOCAL IRRITATION WITH ADMINISTRATION.

3. FATE OF SOUTHERN TURK CYPRIOTS REMAINS SERIOUS ISSUE WITHIN COMMUNITY. VAST MAJORITY TURK POW'S OPTED FOR NORTHERN RELEASE IN EXPECTATION THAT THEIR FAMILIES WOULD QUICKLY JOIN THEM. MANY FAMILIES NOW LEFT IN SOUTH WITH NO MEANS OF SUPPORT AND WITH NO ASSURANCES FOR FUTURE. "FAMILY REUNIFICATION" PROCEEDING SLOWLY VIA HUMANITARIAN TALKS. DESPITE FACT THAT NORTHERN SEEPAGE CONTINUES, DENKTASH IS UNDER CONSIDERABLE PRESSURE TO ARRANGE FOR REMOVAL THESE FAMILIES IN CONDITIONS OF SAFETY. LOCAL TURKISH PRESS HAS BEEN UNHELPFUL, RUNNING ALMOST DAILY ACCOUNTS OF DIFFICULTIES AND DANGERS ENCOUNTERED BY COMPATRIOTS IN SOUTH.

4. IN FACE MOUNTING CRITICISM, ATA OFFICIALS HAVE HASTENED ASSURE THEIR CONSTITUENTS THAT SITUATION WILL IMPROVE SHORTLY. SPECIFICALLY, THEY HAVE ANNOUNCED NUMBER OF PROJECTS WHICH WILL PROVIDE JOBS FOR MANY OF UNEMPLOYED. MOST SIGNIFICANT AMONG THESE ARE:
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C O N F I D E N T I A L SECTION 2 OF 2 NICOSIA 4329

(A) HOTEL INDUSTRY - OPENING NEW HOTEL AND CATERING SCHOOL IN KYRENIA NOV 29, ATA TOURISM MINISTER YASAL PREDICTED INDUSTRY WOULD PROVIDE 5,000 JOBS, WITH ANOTHER 2,000 TURK CYPRIOTS EMPLOYED IN RELATED FIELDS. HE NOTED THAT HOTELS IN TURKISH CONTROLLED AREA CONTAIN 16,000 BEDS. SECOND HOTEL AND CATERING INSTITUTE WILL BE ESTABLISHED IN FAMAGUSTA.

(B) TURK CYPRIOT AIRLINES AND MARITIME LINES SCHEDULED BE IN OPERATION BY KURBAN BAYRAM (LAST WEEK DECEMBER). "THOUSANDS" OF MAINLAND TOURISTS EXPECTED WILL BE HOUSED IN 13 KYRENIA AND FAMAGUSTA HOTELS. TRANSPORT COMPANIES WILL BE JOINT GOT/ATA ENTERPRISES WITH TURKEY HOLDING 50 PERCENT INTEREST.

(C) GOT/ATA PETROL COMPANY EXPECTED EMPLOY 2,000 TURK CYPRIOTS. COMPANY TO BE 51 PERCENT MAINLAND TURKISH OWNED.
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FOREIGN PETROL COMPANIES REPORTEDLY WILL BE NATIONALIZED.

(D) "STATE FARMS", TOTALING 30,000 ACRES, WILL BE LARGEST AGRICULTURAL UNITS ON ISLAND. FARMS PROVIDE IMMEDIATE SALARIED EMPLOYMENT FOR SOUTHERN TURK CYPRIOT FARMERS WHILE KEEPING AREAS OPEN FOR EVENTUAL NEGOTIATION AND POSSIBLE RETURN TO GREEK OWNERS (NICOSIA 4199).

5. RECENT CONVERSATIONS WITH ATA MINISTERS HAVE SHOWN THEM TO BE IN TOUGH, INFLEXIBLE MOOD. MAJORITY ARE BACKWARD LOOKING, DETERMINED EXACT RETRIBUTION FOR PAST GREEK CYPRIOT OFFENSES. DENKTASH IS ALMOST ALONE IN THINKING OF LONG-TERM ECONOMIC GOALS OR CREATION OF VIABLE STATE STRUCTURE. UNFORTUNATELY, HE IS TOO INVOLVED IN DETAILS OF NEGOTIATIONS AND TRIVIA OF VICE PRESIDENCY TO DEVOTE MUCH TIME TO SUCH REFLECTION.
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